

# Press Release

**Office of the Kansas Securities Commissioner  
618 S. Kansas Avenue  
Topeka, Kansas 66603-3804**

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## **Wichita Stockbroker, Ronald Reeves, Sentenced on Securities Fraud Charges**

(Topeka, Kansas) -- Kansas Securities Commissioner, Chris Biggs, announced today that Ronald W. Reeves, Wichita, was sentenced last Thursday in Sedgwick County District Court for two felony counts of securities fraud and one felony count of selling unregistered securities.

Reeves was sentenced to 36 months in prison but was placed under intensive supervision in the community corrections program for 60 months. Restitution of \$57,000 was ordered by the court to be paid to seven local investors.

An investigation by the Office of the Kansas Securities Commissioner revealed that Reeves sold his own personal shares of stock to seven of his clients, some of which were elderly widows. The stock was not properly registered with the Office of the Securities Commissioner. At the time of the sales, Reeves was employed by Chapman Securities, a now defunct Wichita broker-dealer firm.

Reeves sold the stock to two of his elderly clients by telling them that the stock was a conservative investment, when in fact it was highly speculative and should have only been sold to the most sophisticated investors. Additionally, Reeves inflated the price of the shares of the stock he sold to the widows up to eight times the most recent private offering price. The investors were not told the stock was a private stock offering, and therefore the stock could not be easily resold.

As part of the plea agreement that was accepted by the court, Reeves, 61, agreed to enter into an administrative order with the Office of the Securities Commissioner in which he will lose his securities license and be permanently barred from associating with any broker-dealer or investment adviser in the State of Kansas.

This investigation and prosecution of Reeves was done with the assistance and cooperation of Nola Tedesco-Foulston and the Office of the Sedgwick County District Attorney.

The Office of the Kansas Securities Commissioner is charged with administration and enforcement of the Kansas Securities Act under Chapter 17 of the Kansas Statutes. The Office investigates and prosecutes securities fraud, the offer or sale of unregistered securities and the

offer or sale of securities by unlicensed stockbrokers or investment advisers. For more information and investor education resources, visit <http://www.securities.state.ks.us>.